

11-20-06 Changes to ATS Scenarios for Forms 1065/1065-B/7004

Tax Year 2006 Assurance Testing (ATS)

Test Scenario Number	Form Changed	Change Made
All	Form 1065, Dependency Schedule L Other Current Assets Statement	Do not attach this dependency.
All	Form 1065, Dependency Schedule L Other Assets Statement	Do not attach this dependency.
All	Form 1065-B, Dependency Schedule L Other Current Assets Statement	Do not attach this dependency.
All	Form 1065-B, Dependency Schedule L Other Assets Statement	Do not attach this dependency. .
Scenario 2	Schedule K-1 Line 15	Change code from “U” to “P”
Scenario 2	Form 1065 Schedule K Line 14c	\$303,803
Scenario 2	Form 4562, lines 16 and 17	Remove these entries
Scenario 2	Form 4797, lines 30 and 31	Remove these entries
Scenario 2	Schedule K-1 1065 line 15	Removed these entries
Scenario 2	Schedule K-1 1065, Partner #2, line 14	Removed this entry
Scenario 3	Form 1065, Box J	Check this box – for Schedule M-3
Scenario 3	Form 1065, Schedule B Line 7	Check this box – for publicly Traded Partnership
Scenario 3	Form 8865, Preparer’s SSN	Change from 000-30-0007 to 000-20-0001
Scenario 3	Schedule K-1 1065, Part III, Line 14	Remove these entries
Scenario 5	Form 6252	Adding 2 occurrences as attachments to this scenario – SEE BELOW
Scenario 9	Schedule K-1 1065-B, First occurrence, Line 9, Other	Change the code to “K2a”

Form 6252		Installment Sale Income	2006
Name: SHOEBILL LTD.			
Identifying number: 79-2659215			
1	Description of property AIRCRAFT DC-7 TAIL #123 MSN 20761		
2a	Date acquired (month, day, year) 01/01/1984		
2b	Date sold 06/30/2004		
3	Was property sold to a related party <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
4	Was the property sold to a related party a marketable security <input type="checkbox"/> Yes <input type="checkbox"/> No		
	Line Description	Line Amount	Write-in / Literal / Attachments
Part I Election to Expense Certain Property Under Section 179			
5	Selling price including mortgages and other debts.		
6	Mortgages, debts, and other liabilities buyer assumed		
7	Subtract line 6 from line 5		
8	Cost of other basis of property sold		
9	Depreciation allowed or allowable		
10	Adjusted basis. Subtract line 9 from line 8.		
11	Commissions and other expenses of sale		
12	Income recapture from Form 4797, Part III		
13	Add lines 10, 11, and 12		
14	Subtract line 13 from line 5. If zero or less, do not complete rest of form		
15	If property described on line 1 you're your main home, enter amount of your excluded gain		
16	Gross profit. Subtract line 15 from line 14		
17	Subtract line 13 from line 6. If zero or less enter 0		
18	Contract price. Add line 7 and line 17		
Part II Installment Sale Income			
19	Gross profit percentage. Divide line 16 by line 18.	42,0186.90	
20	If this is the year of sale, enter the amount from line 17. Otherwise 0		
21	Payments received during year	566,365.00	
22	Add lines 20 and 21	566,365.00	
23	Payments received in prior years	1,000,001.00	
24	Installment Sale income. Multiply line 22 by line 19	237,979.00	
25	Enter the part of line 24 that is ordinary income under the recapture rules		
26	Subtract line 25 from line 24. Enter here and on Sch D or Form 4797	237,979.00	
Part III Related Party Installment Sale Income			
27	Name, address and taxpayer identifying number of related party		
28	Did related party resell or dispose of property during this tax year		
29	If answer to 28 is 'yes', complete lines 30 through 37 unless one of the		

Form 6252		Installment Sale Income	2006
	following conditions is met. Check box that applies		
a	The second disposition was more than 2 years after the first disposition. If box is checked enter date of disposition		
b	The first disposition was a sale or exchange of stock to the issuing corporation		
c	The second disposition was an involuntary conversion and the threat of conversion occurred after the first disposition		
d	The second disposition occurred after the death of the original seller or buyer		
e	It can be established to the satisfaction of the IRS that tax avoidance was not a principal purpose for either dispositions		
30	Selling price of property sold by related party		
31	Enter contract price from line 18 for year of first sale		
32	Enter the smaller of line 30 or line 31		
33	Total payments received by the end of your 2005 tax year		
34	Subtract line 33 from line 32. If zero or less, enter 0		
35	Multiply line 34 by gross profit percentage on line 19 for year of first sale		
36	Enter the part of line 35 that is ordinary income under the recapture rules		
37	Subtract line 36 from line 35. Enter here on Schedule D or Form 4797		

Form 6252	Installment Sale Income	2006
Name: SHOEBILL LTD.		
Identifying number: 79-2659215		
1	Description of property AIRCRAFT DC-9 MSN 21144	
2a	Date acquired (month, day, year) 04/30/2004	
2b	Date sold 06/30/2005	
3	Was property sold to a related party <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
4	Was the property sold to a related party a marketable security <input type="checkbox"/> Yes <input type="checkbox"/> No	
	Line Description	Line Amount
Part I Election to Expense Certain Property Under Section 179		
5	Selling price including mortgages and other debts.	3,150,000
6	Mortgages, debts, and other liabilities buyer assumed	
7	Subtract line 6 from line 5	3,150,000
8	Cost of other basis of property sold	600,000
9	Depreciation allowed or allowable	150,000
10	Adjusted basis. Subtract line 9 from line 8.	450,000
11	Commissions and other expenses of sale	1,200,000
12	Income recapture from Form 4797, Part III	150,000
13	Add lines 10, 11, and 12	1,800,000
14	Subtract line 13 from line 5. If zero or less, do not complete rest of form	1,350,000
15	If property described on line 1 you're your main home, enter amount of your excluded gain	
16	Gross profit. Subtract line 15 from line 14	1,350,000
17	Subtract line 13 from line 6. If zero or less enter 0	
18	Contract price. Add line 7 and line 17	3,150,000
Part II Installment Sale Income		
19	Gross profit percentage. Divide line 16 by line 18.	42,8690
20	If this is the year of sale, enter the amount from line 17. Otherwise 0	
21	Payments received during year	1,325,000
22	Add lines 20 and 21	1,325,000
23	Payments received in prior years	
24	Installment Sale income. Multiply line 22 by line 19	567,895
25	Enter the part of line 24 that is ordinary income under the recapture rules	
26	Subtract line 25 from line 24. Enter here and on Sch D or Form 4797	567,895
Part III Related Party Installment Sale Income		
27	Name, address and taxpayer identifying number of related party	
28	Did related party resell or dispose of property during this tax year	
29	If answer to 28 is 'yes', complete lines 30 through 37 unless one of the	

Form 6252		Installment Sale Income	2006
	following conditions is met. Check box that applies		
a	The second disposition was more than 2 years after the first disposition. If box is checked enter date of disposition		
b	The first disposition was a sale or exchange of stock to the issuing corporation		
c	The second disposition was an involuntary conversion and the threat of conversion occurred after the first disposition		
d	The second disposition occurred after the death of the original seller or buyer		
e	It can be established to the satisfaction of the IRS that tax avoidance was not a principal purpose for either dispositions		
30	Selling price of property sold by related party		
31	Enter contract price from line 18 for year of first sale		
32	Enter the smaller of line 30 or line 31		
33	Total payments received by the end of your 2005 tax year		
34	Subtract line 33 from line 32. If zero or less, enter 0		
35	Multiply line 34 by gross profit percentage on line 19 for year of first sale		
36	Enter the part of line 35 that is ordinary income under the recapture rules		
37	Subtract line 36 from line 35. Enter here on Schedule D or Form 4797		